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- and -

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Counsel to the Debtors and
Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

- - - - - x
In re: : Chapter 11
:
CIRCUIT CITY STORES, INC., : Case No. 08-35653 (KRH)
et al., :
:
Debtors. : Jointly Administered
:
- - - - - x : Obj. Deadline: November 2, 2010
at 5:00 p.m. (ET)

**NOTICE OF PROPOSED SETTLEMENT AGREEMENT AND STIPULATION BY
AND AMONG THE DEBTORS AND MITSUBISHI DIGITAL ELECTRONICS
AMERICA, INC.**

PLEASE TAKE NOTICE that, on August 10, 2009, the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court") entered the Order Pursuant To 11 U.S.C. §§ 105 and 363, and Fed. R. Bankr. P. 2002, 9006, and 9019 Authorizing the Establishment of Procedures to Settle Certain Pre-Petition and Post-Petition Claims and Causes of Action Without Further Court Approval

(the "Settlement Procedures Order") (Docket No. 4401).¹ A copy of the Settlement Procedures Order (without exhibits) is annexed as Exhibit 1.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Settlement Procedures Order, the above-captioned debtors and debtors in possession (collectively, the "Debtors")² are authorized to negotiate and enter into stipulation and settlement agreements with third parties, subject to the procedures set forth in the Settlement Procedures Order and outlined herein.

PLEASE TAKE FURTHER NOTICE that, at this time, the Debtors have entered into a stipulation and settlement agreement (the "Agreement") with Mitsubishi Digital Electronics America, Inc. ("Mitsubishi" and, together with the Debtors, the "Parties" and each of which is a "Party"), a copy of which is annexed as Exhibit 2.

SUMMARY OF AGREEMENT TERMS³

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement (defined below) or the Settlement Procedures Order.

² The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc. (6796), Sky Venture Corp. (0311), PRAHS, Inc. (n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512). The address for Circuit City Stores West Coast, Inc. is 9250 Sheridan Boulevard, Westminster, Colorado 80031. For all other Debtors, the address was 9950 Mayland Drive, Richmond, Virginia 23233 and currently is 4951 Lake Brook Drive, Glen Allen, VA 23060.

³ This section of the notice constitutes a summary of the material terms of the Agreement and is being provided for convenience only and should not be relied upon in any way. All parties are strongly encouraged to review the Agreement in its entirety. In the event there is a conflict between the notice and the Agreement, the Agreement shall control in all respects.

PLEASE TAKE FURTHER NOTICE that, in accordance with paragraph 10(b) of the Settlement Procedures Order, the material terms of the Agreement are as follows:

- (i) This is a Tier II Settlement.
- (ii) On November 18, 2008, Mitsubishi filed claim number 132 against the Debtors' bankruptcy estates pursuant to Bankruptcy Code section 503(b)(9) ("Claim No. 132") in the amount of \$4,965,976.18.
- (iii) The Insurance Company of the State of Pennsylvania (the "Insurance Company") holds or is subrogated to Mitsubishi's rights with regard to a portion of Claim No. 132.
- (iv) On April 17, 2009, Mitsubishi filed claim number 12300 ("Claim No 12300"). Claim No. 12300 was filed in the total amount of \$15,258,077.65, which was comprised of (i) a secured component in the amount of \$3,110,267.24 (the "Secured Component"), (ii) a 503(b)(9) component in the amount of \$4,965,976.18 (the "503(b)(9) Component"), and (iii) a general unsecured, non priority component in the amount of \$7,181,834.23 (the "Unsecured Component").
- (v) On or about March 18, 2010, the Court entered its Supplemental Order resolving the various of the Debtors' Omnibus Objections with respect to Mitsubishi (D.I. 6871) (the "Settlement Order"). Pursuant to the Settlement Order, all of Mitsubishi's claims, other than Claim No. 132 and Claim No. 12300, were withdrawn (Claim No. 132, together with Claim No. 12300, the "Mitsubishi Claims"). The Mitsubishi Claims were modified as follows: (1) the Secured Component of Claim No. 12300 would be in the amount of \$3,110,267.24; (2) the Unsecured Component of Claim No 12300 be in the amount of

\$7,181,834.23; (3) the 503(b)(9) Component of Claim No. 12300 would be reduced to \$0, and (4) Claim No. 132 would be in the amount of \$4,965,976.18.

- (vi) On April 1, 2010, Circuit City filed its Objection to Claim Nos. 132 and 12300 and Complaint Against Mitsubishi Digital Electronics America, Inc. and The Insurance Company of the State of Pennsylvania (the "Adversary Complaint") (Adv. Pro. No. 10-03068 (the "Adversary Proceeding") (Adv. D.I. 1)).
- (vii) Therein, the Debtors asserted that Claim No. 132 was overstated in the amount of \$3,655.41, such that Claim No. 132 should be reduced to \$4,962,320.77.
- (viii) In the Adversary Complaint, the Debtors also alleged that they are entitled to certain pre- and post-petition amounts, including receivables, charge-backs, returns, and other amounts, which amounts are currently due and owing to Circuit City by Mitsubishi, but for which Circuit City had not received payment. Specifically, the Debtors asserted that Mitsubishi owes Circuit City pre- and post-petition amounts totaling \$5,751,577.89 (the "Unpaid Obligations"). The Debtors sought to setoff the Unpaid Obligations from Claim No. 132 reducing it to \$0. After setoff, the Unpaid Obligations would be reduced to \$789,257.12.
- (ix) The Debtors also asserted that Claim No. 12300 was overstated by \$247,516.97 such that Claim No. 12300 should be reduced to \$6,934,317.56. The Debtors also sought to setoff the remaining Unpaid Obligations of \$789,257.12 from Claim No. 12300. After setoff, Claim No. 12300 would be reduced

to \$6,145,060.44 and the Unpaid Obligations would be reduced to \$0.

- (x) The Debtors also sought to reclassify the Secured Component of Claim No. 12300 to a general unsecured, non-priority claim.
- (xi) The Debtors also asserted that during the 90-day period prior to the commencement of Circuit City's bankruptcy cases, Circuit City transferred property to or for the benefit of Mitsubishi in an amount not less than \$6,698,209.84 (the "Preferential Transfers"). The Debtors sought to recover the Preferential Transfers pursuant to Bankruptcy Code sections 547 and 550.
- (xii) In the Adversary Complaint, the Debtors sought to temporarily disallow Claim No. 12300 pursuant to Bankruptcy Code section 502(d) until such time as Mitsubishi turned over the Preferential Transfers and the Unpaid Obligations.
- (xiii) Mitsubishi generally denied the allegations in the Adversary Complaint. Mitsubishi also asserted counter-claims against the Debtors, which the Debtors denied.
- (xiv) On August 2, 2010, the Debtors filed their Motion for Partial Summary Judgment with Respect to Circuit City Stores, Inc.'s Objection to Claim Nos. 132 and 12300 and Complaint Against Mitsubishi Digital Electronics America, Inc. and the Insurance Company of the State of Pennsylvania (the "Summary Judgment Motion") (Adv. D.I. 30). Therein, the Debtors explained that Mitsubishi contends that certain of the Preferential Transfers may not be avoidable under Bankruptcy Code section 547(c)(4) because Mitsubishi provided the Debtors with "new value"

subsequent to the alleged Preferential Transfers. The Debtors contend that even assuming that such new value was provided, Mitsubishi may not, as a matter of law, avail itself of the "new value" under Bankruptcy Code section 547(c)(4)(B).

(xv) On August 24, 2010, Mitsubishi filed its Amended Response and Memorandum of Law in Opposition to Debtors' Motion for Partial Summary Judgment with Respect to Circuit City Stores, Inc.'s Objection to Claims No. 132 and 12300 and Complaint Against Mitsubishi Digital Electronics America, Inc. and the Insurance Company of the State of Pennsylvania. Therein, Mitsubishi disagreed with the Debtors and argued that it may avail itself of the "new value" under Bankruptcy Code section 547(c)(4)(B).

(xvi) On August 27, 2010, the Debtors filed their Reply Brief in Support of Motion for Partial Summary Judgment with Respect to Circuit City Stores, Inc.'s Objection to Claims No. 132 and No. 12300 and Complaint Against Mitsubishi Digital Electronics America, Inc. and the Insurance Company of the State of Pennsylvania (Adv. D.I. 43).

(xvii) Rather than proceed with further litigation concerning the Mitsubishi Claims and the Adversary Proceeding, the Parties engaged in good faith, arms' length negotiations to resolve the foregoing at this time.

(xviii) Upon the Effective Date (as defined in the Settlement Agreement), in full satisfaction and settlement of the Mitsubishi Claims, the Unpaid Obligations, the Preferential Transfer, and the Adversary Proceeding (other than the Summary Judgment Motion), the Parties agree that (i) Claim No. 132 will be

reduced to and allowed as an administrative priority claim pursuant to section 503(b)(9) of the Bankruptcy Code in the amount of \$1,775,000 (the "Allowed 503(b)(9) Claim"), (ii) Claim No. 12300 will be allowed in the amount of \$5,125,000.00 as a general unsecured, non-priority claim (together with the Allowed 503(b)(9) Claim, the "Allowed Claims"); and (iii) the Unpaid Obligations shall be reduced to \$0.

- (xix) The Adversary Proceeding shall not be dismissed until the Court disposes of the Summary Judgment Motion.
- (xx) Upon the later of (i) the Effective Date and (ii) the "effective date" under the Plan, \$1,725,000 of the Allowed 503(b)(9) Claim shall be paid from the Reserve and the Debtors shall continue to hold \$50,000 (the "Remaining Amount") in the Reserve pending the Court's decision on the Summary Judgment Motion; provided, further, that, upon payment of \$1,725,000 to Mitsubishi, all funds held in the Reserve (other than the Remaining Amount) shall be deemed released back to the Debtors and their estates for distribution under the Plan and Mitsubishi shall cease to have any interest in or right to such released funds.
- (xxi) In the event the Court grants the Summary Judgment Motion, the Allowed 503(b)(9) Claim shall be reduced by \$50,000, and the Remaining Amount shall be deemed released from the Reserve back to the Debtors and their estates for distribution under the Plan and Mitsubishi shall cease to have any interest in or right to the Remaining Amount.
- (xxii) In the event the Court denies the Summary Judgment Motion, the Remaining

Amount shall be paid to Mitsubishi upon the later of (i) the Effective Date, (ii) the "effective date" under the Plan, and (iii) the date that is seven (7) days after the Court enters an order disposing of the Summary Judgment Motion.

(xxiii) Subject to paragraphs 3-5 in the Settlement Agreement, the Allowed Claims shall be deemed "allowed" claims in case number 08-35653 (KRH) for all purposes, including with respect to the Plan or as required under any chapter 7 liquidation (as applicable), and shall not be subject to enhancement or amendment, or further objection, offset, reduction, discount, impairment or subordination.

TIME AND PLACE FOR FILING OBJECTIONS TO THE PROPOSED AGREEMENT OR REQUESTING ADDITIONAL INFORMATION OR TIME TO CONSIDER THE AGREEMENT

PLEASE TAKE FURTHER NOTICE that, in accordance with paragraph 10(c) of the Settlement Procedures Order, any Notice Party may object (each an "Objection") to or request additional time or information (each a "Request") to evaluate the Agreement.

PLEASE TAKE FURTHER NOTICE that all Objections and Requests must be in writing and received by counsel to the Debtors and counsel to the Official Committee of Unsecured Creditors (see information below) by no later **November 2, 2010 at 5:00 p.m. (ET)** (the "Objection Deadline"). Each Objection or Request must be served on (i) the attorneys for the Debtors, (a) Skadden, Arps, Slate, Meagher & Flom, LLP, One Rodney Square, P.O. Box 636, Wilmington, DE 19899, Attn: Gregg M. Galardi (gregg.galardi@skadden.com) and Ian S. Fredericks (ian.fredericks@skadden.com) and (b) McGuireWoods LLP, One James Center, 901 E. Cary Street, Richmond, VA 23219, Attn: Douglas M. Foley (dfoley@mcguirewoods.com) and Daniel F. Blanks (dblanks@mcguirewoods.com), and (ii)(a) Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd., 11th Floor, Los Angeles, California 90067-4100, Attn: Jeff Pomerantz (jpomerantz@pszjlaw.com) and (b) 780 Third Avenue,

36th Floor, New York, NY 10017-2024, Attn: Robert Feinstein (rfeinstein@pszjlaw.com).

PLEASE TAKE FURTHER NOTICE that if you object to the Agreement and you do not want the Debtors to proceed with the Agreement or you want the Court to consider your views concerning the Agreement, you or your attorney must also:

file in writing with the Court, Clerk of Court, United States Bankruptcy Court, 701 East Broad Street, Suite 4000, Richmond, Virginia 23219, or electronically (www.vaeb.uscourts.gov), a written Objection pursuant to Local Bankruptcy Rule 9013-1(H). If you mail your Objection to the Court for filing, you must mail it early enough so the Court will **receive it on or before November 2, 2010 at 5:00 p.m. (ET).**

Any Objection to an Agreement must be submitted by the method described in the foregoing sentence. Objections will be deemed filed only when actually received at the address listed above.

PLEASE TAKE FURTHER NOTICE that, pursuant to paragraph 10(d) of the Settlement Procedures Order, if a Notice Party submits a Request, only such Notice Party shall have the later of (i) an additional five (5) days to object to the Agreement or (ii) in the case of a Request for additional information, three (3) days after receipt by the Notice Party of the additional information requested. Each Notice Party may only make one Request for additional time per Agreement, unless otherwise agreed to by the Debtors in their sole discretion.

[Remainder of page intentionally left blank]

PLEASE TAKE FURTHER NOTICE that, pursuant to paragraph 10(c) of the Settlement Procedures Order, if no Objection or Request is filed and served upon counsel for the Debtors and counsel for the Committee of Unsecured Creditors or counsel to the Debtors and counsel for the Committee of Unsecured Creditors do not receive a Request prior to the expiration of the Objection Deadline (as may be extended by Requests, if any, the **Debtors shall be authorized to enter into and consummate the Agreement without further order of the Court or any other action by the Debtors.**

Dated: October 19, 2010
Richmond, Virginia

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- and -

MCGUIREWOODS LLP

/s/ Douglas M. Foley
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(VSB No. 34364)
Sarah B. Boehm
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One James Center
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Counsel for Debtors and Debtors in
Possession

EXHIBIT 1

(Settlement Procedures Order w/out Exhibit(s))

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Counsel to the Debtors and
 Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE EASTERN DISTRICT OF VIRGINIA
 RICHMOND DIVISION

- - - - -	x	:	
		:	
In re:		:	Chapter 11
		:	
CIRCUIT CITY STORES, INC.,		:	1Case No. 08-35653 (KRH)
<u>et al.</u> ,		:	
		:	
Debtors.		:	Jointly Administered
- - - - -	x		

**ORDER UNDER 11 U.S.C. §§ 105 AND 363, AND FED. R. BANKR.
 P. 2002, 9006, AND 9019 AUTHORIZING THE ESTABLISHMENT OF
 PROCEDURES TO SETTLE CERTAIN PRE-PETITION AND POST-
 PETITION CLAIMS AND CAUSES OF ACTION WITHOUT FURTHER COURT
 APPROVAL**

Upon the motion (the "Motion")¹ of the Debtors
 for entry of an order, pursuant to sections 105 and 363

¹ Each capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Motion.

of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 9006 and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for entry of an order authorizing the establishment of procedures to settle certain pre-petition and post-petition claims and causes of action without further court approval; and the Court having reviewed the Motion; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby:

FOUND, DETERMINED, AND CONCLUDED that:

1. Based on the affidavits of service filed, due, proper and adequate notice of the Motion has been given in accordance with the Case Management Order and that no other or further notice is necessary;
2. The Notice Procedures are fair, reasonable, and appropriate.
3. The Settlement Procedures are fair reasonable, and appropriate.
4. The Notice and Settlement Procedures were proposed in good faith.

5. Pursuant to Bankruptcy Rule 9006, cause exists to shorten the applicable notice period in Bankruptcy Rule 2002(a)(3) with respect to each Settlement.

6. Upon the expiration of the applicable Notice Period without an objection or upon resolution of any filed objection after the applicable Notice Period, each Settlement that complies with the Notice and Settlement Procedures shall be deemed (i) fair and reasonable and (ii) to have satisfied the standards under Bankruptcy Code sections 105 and 363 and Bankruptcy Rule 9019.

7. The relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

ORDERED, ADJUDGED, AND DECREED that:

8. The Motion is GRANTED.

9. The Debtors are authorized, but not directed, to compromise and settle Disputed Claims and Cause of Action and Receivable Claims in accordance with the Settlement Procedures.

10. The Debtors shall provide key parties in interest with notice of each proposed Settlement. The Notice Procedures are as follows:

(a) The Debtors shall give written notice, by email or facsimile, if available, or overnight courier if email or facsimile are not available, of each proposed Settlement (the "Settlement Notice") to (i) the United States Trustee, (ii) counsel for the Committee of Unsecured Creditors, (iii) any party to the Settlement, and (iv) the Core Group and 2002 List (collectively, the "Notice Parties").

(b) The Settlement Notice (or the Settlement Agreement) shall specify (i) the identity of the other party to the Settlement, (ii) a summary of the dispute with such other party, including a statement of the Debtors' reasonable estimate of the Settlement Claim amount and the basis for the controversy, (iii) an explanation of why the Settlement of such Settlement Claim is favorable to the Debtors, their estates, and their creditors, and (iv) a copy of the proposed settlement agreement ("Settlement Agreement").

(c) The Notice Parties may object to or request additional time to evaluate the proposed Settlement in writing by no later than 5:00 p.m. (ET) (i) five (5) days for both Tier I Disputed Claims and Tier I Cause of Action and Receivable Claims or (ii) ten (10) days for both Tier II Disputed Claims and Tier II Cause of Action and Receivable Claims (each an individual "Notice Period") and serve such objection or request on counsel to the Debtors and counsel for the Creditors' Committee on or before the

expiration of the applicable Notice. If the Debtors are compromising more than one Disputed Claim and/or Cause of Action and Receivable Claim, the Tier II Notice Period shall apply to such Settlement. If no objection or written request is filed and served upon counsel for the Debtors and counsel for the Creditors' Committee or counsel to the Debtors does not receive a written request for additional information and/or additional time prior to the expiration of the applicable Notice Period, the Debtors shall be authorized to enter into and consummate the Settlement Agreement without further order of the Court or any other action by the Debtors.

(d) If a Notice Party provides a written request to counsel for the Debtors for additional information or time to evaluate the proposed Settlement, only such Notice Party shall have the later of (i) an additional five (5) days to object to the proposed Settlement or (ii) in the case of a request for additional information, three days after receipt by the Notice Party of the additional information requested. Each Notice Party may only make one request for additional time per Settlement Agreement, unless otherwise agreed to by the Debtors in their sole discretion.

(e) If a Notice Party objects to the proposed Settlement within the defined Notice Period for that particular Tier of Disputed Claim or Cause of Action and Receivable Claim, (or the additional period in the case of a Notice Party that has timely requested additional time or information to evaluate the proposed Settlement) (the "Objection Deadline") and the Debtors and such objecting Notice Party are unable to reach a consensual resolution,

the Debtors will not take any further action to consummate the proposed settlement without first obtaining Court approval for that specific Settlement. The Debtors are authorized to schedule the Settlement for a hearing at the next scheduled omnibus hearing following the Objection Deadline (or any subsequent hearing) without filing a separate motion or other pleading.

(f) If the Objection Deadline has passed and no objection has been filed with the Court or request for additional time or information has been received by the Debtors, the Debtors are authorized, but not directed, to file a "Certificate of No Objection" with the Court; provided, further, that each such Certificate shall set forth a statement that no objection was filed or received (or if any objection was filed or received, such objection has been resolved) and no request for additional time or information was received or, if such request was received, the additional period of review has expired.

(g) An objection will be considered properly filed and served only if it is filed with the Court, and actually received by the following parties on or before the Objection Deadline: (i) Clerk of the Bankruptcy Court, United States Bankruptcy Court, 701 East Broad Street - Room 4000, Richmond, VA 23219, (ii) the attorneys for the Debtors, (a) Skadden, Arps, Slate, Meagher & Flom, LLP, One Rodney Square, P.O. Box 636, Wilmington, DE 19899, Attn: Gregg M. Galardi (gregg.galardi@skadden.com) and Ian S. Fredericks (ian.fredericks@skadden.com) and (b) McGuireWoods LLP, One James Center, 901 E. Cary Street, Richmond, VA 23219, Attn: Douglas M. Foley (dfoley@mcguirewoods.com)

and Daniel F. Blanks
(dblanks@mcguirewoods.com), and (iii) (a)
Pachulski Stang Ziehl & Jones LLP, 10100
Santa Monica Blvd., 11th Floor, Los Angeles,
California 90067-4100, Attn: Jeff Pomerantz
(jpomerantz@pszjlaw.com) and (b) 780 Third
Avenue, 36th Floor, New York, NY 10017-2024,
Attn: Robert Feinstein
(rfeinstein@pszjlaw.com).

(h) All time periods set forth in the
Notice Procedures shall be calculated in
accordance with Bankruptcy Rule 9006.

11. Subject to the Notice Procedures, the
Debtors are authorized to compromise and settle Disputed
Claims as follows:

(a) Tier I With respect to Disputed
Claims, the Debtors, in their sole
discretion, may negotiate, execute and
consummate written Settlement Agreements
with the Claimants that will be binding on
the Debtors and their estates without
further action by this Court. The Debtors
may, in full settlement of such Disputed
Claims, grant any Claimant an allowed claim
of an agreed upon priority or administrative
expense claim, as applicable, in an amount
not to exceed \$500,000.

(b) Tier II With respect to Disputed
Claims, the Debtors, in their sole
discretion, may negotiate, execute and
consummate written Settlement Agreements
with the Claimants that will be binding on
the Debtors and their estates without
further action by this Court. The Debtors
may, in full settlement of such Disputed
Claims, grant any Claimant an allowed claim
(priority or non-priority, as the case may

be) or administrative expense claim, as applicable, in an amount greater than \$500,000.

12. Subject to the Notice Procedures, the Debtors are authorized to compromise and settle Cause of Action and Receivable Claims as follows:

(a) Tier I With respect to pre- and post-petition Cause of Action and Receivable Claims, the Debtors, in their sole discretion, may negotiate, execute and consummate written Settlement Agreements with third parties that will be binding on the Debtors and their estates without further action by this Court. The Debtors may, in full settlement of such Cause of Action and Receivable Claims, compromise or settle a Cause of Action and Receivable Claim resulting in a cash payment to the Debtors' estates of a value (i) equal to or greater than seventy-five percent (75%) of the Debtors' original reasonable estimate of the Cause of Action and Receivable Claim amount and (ii) equal to or less than \$1,000,000.

(b) Tier II With respect to pre- and post-petition Cause of Action and Receivable Claims, the Debtors, in their sole discretion, may negotiate, execute and consummate written Settlement Agreements with third parties that will be binding on the Debtors and their estates without further action by this Court. The Debtors may, in full settlement of such Cause of Action and Receivable Claims, compromise or settle a Cause of Action and Receivable Claim resulting in a cash payment to the Debtors' estates of a value equal to (i) more than \$1,000,000 or (ii) less than

seventy-five percent (75%) of the Debtors' original reasonable estimate of the Cause of Action and Receivable Claim amount.

13. To memorialize the Settlements, the Debtors are authorized in their sole discretion, but not directed, to enter into Settlement Agreements substantially in the form of Exhibit A attached hereto; provided, further, that the material terms of each Settlement Agreement may vary depending upon the specific facts and circumstances of each Settlement and nothing herein or therein shall be construed as impairing the Debtors' ability to tailor the form of the Settlement Agreement to each specific Settlement.

14. The Debtors are authorized, but not directed, to resolve all of the Disputed Claims and Cause of Action and Receivable Claims of a single party in a single Settlement Agreement.

15. The Debtors shall provide written notice to Kurtzman Carson Consultants LLC ("KCC"), the Debtors' authorized claims and noticing agent, with respect to any proof of claim settled pursuant to these Settlement Procedures; provided, further, that, if applicable, KCC

is authorized and directed to amend the claims register accordingly without further order of the Court.

16. Following entry of this Order, unless otherwise agreed to between the Debtors and the Creditors' Committee, the Debtors' advisors shall provide weekly updates concerning ongoing settlement discussions to the Creditors' Committee's advisors. These updates shall include, without limitation, non-privileged information mutually agreed to among the parties' advisors. Once the Debtors reach an agreement in principle with a third party, the Debtors shall share the material terms of the Settlement with the Creditors' Committee's advisors. All information shared with the Creditors' Committee's advisors shall be deemed shared subject to the existing confidentiality agreement with the Debtors.

17. Assuming no objection has been filed by the applicable Objection Deadline, immediately after the expiration of the Notice Period (or, in the case of a filed objection that has been resolved, upon filing of a Certificate of No Objection) the Settlement Agreement

shall be deemed to be a final order of this Court for all purposes, including for purposes of any appeal.

18. In the event there is an inconsistency between the Motion and this Order, this Order shall control.

19. The requirement under Local Rule 9013-1(G) of the Local Rules for the United States Bankruptcy Court for the Eastern District of Virginia to file a memorandum of law in connection with the Motion is hereby waived.

20. This Court retains jurisdiction to hear and determine all matters arising from or related to the Motion, this Order or any Settlement.

Dated: Richmond, Virginia
_____, 2009

UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

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- and -

/s/ Douglas M. Foley
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(804) 775-1000

Counsel to the Debtors
and Debtors in Possession

CERTIFICATION OF ENDORSEMENT UNDER LOCAL RULE 9022-1(C)

Pursuant to Local Bankruptcy Rule 9022-1(C), I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Douglas M. Foley
Douglas M. Foley

EXHIBIT 2

(Settlement Agreement)

Gregg M. Galardi, Esq.
 Ian S. Fredericks, Esq.
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 FLOM, LLP
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- and -

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Counsel to the Debtors and
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IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE EASTERN DISTRICT OF VIRGINIA
 RICHMOND DIVISION

- - - - - x
 In re: : Chapter 11
 :
 CIRCUIT CITY STORES, INC., : Case No. 08-35653 (KRH)
et al., :
 :
 Debtors. : Jointly Administered
 - - - - - x

**SETTLEMENT AGREEMENT AND STIPULATION BY AND AMONG THE
 DEBTORS AND MITSUBISHI DIGITAL ELECTRONICS AMERICA, INC.**

This settlement agreement and stipulation
 (this "Settlement Agreement") is entered into by and
 among the above-captioned debtors and debtors in

possession (the "Debtors"),¹ on the one hand, and Mitsubishi Digital Electronics America, Inc. ("Mitsubishi" and, together with the Debtors, the "Parties" and each of which is a "Party"), on the other hand.

GENERAL BACKGROUND

WHEREAS, on November 10, 2008 (the "Petition Date"), the Debtors each filed a voluntary petition in the United States Bankruptcy Court for the Eastern District of Virginia (the "Court") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"); and

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc. (6796), Sky Venture Corp. (0311), PRAHS, INC. (n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512). The address for the Debtors is 4951 Lake Brook Drive, Suite #500, Glen Allen, VA 23060.

WHEREAS, the Debtors have continued as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code; and

WHEREAS, on November 12, 2008, the Office of the United States Trustee for the Eastern District of Virginia appointed a statutory committee of unsecured creditors (the "Creditors' Committee"); and

WHEREAS, to date, no trustee or examiner has been appointed in these chapter 11 cases; and

WHEREAS, on January 16, 2009, the Court authorized the Debtors, among other things, to conduct going out of business sales at the Debtors' remaining 567 stores pursuant to an agency agreement (the "Agency Agreement") between the Debtors and a joint venture, as agent (the "Agent"). On January 17, 2009, the Agent commenced going out of business sales pursuant to the Agency Agreement at the Debtors remaining stores. As of on or about March 8, 2009, the going out of business sales concluded; and

WHEREAS, on September 29, 2009, the Debtors and the Creditors Committee filed the First Amended Joint Plan of Liquidation of Circuit City Stores, Inc.

and its Affiliated Debtors and Debtors In Possession and its Official Committee of Creditors Holding General Unsecured Claims (the "First Amended Plan"). The associated disclosure statement was approved on September 24, 2009. Confirmation of the First Amended Plan was originally scheduled for November 23, 2009, but has been adjourned from time to time; and

WHEREAS, on August 9, 2010, the Debtors and the Creditors Committee filed the Second Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and its Affiliated Debtors and Debtors In Possession and its Official Committee of Creditors Holding General Unsecured Claims (the "Plan"). The Plan was confirmed on September 8, 2010; and

WHEREAS, generally, the Plan provides for the liquidation of the Debtors' remaining assets and distributions to creditors through a liquidating trust; and

WHEREAS, the Debtors are authorized under the Court's Order Under 11 U.S.C. §§ 105 and 363, and Fed. R. Bankr. P. 2002, 9006, and 9019 Authorizing the Establishment of Procedures to Settle Certain Pre-

Petition and Post-Petition Claims and Causes of Action Without Further Court Approval, dated August 7, 2009 (Docket No. 4401, the "Settlement Procedures Order") to enter into this Settlement Agreement, subject to the Notice Procedures (as defined and provided for in the Settlement Procedures Order).

SETTLEMENT BACKGROUND

A. The Mitsubishi Claims.

WHEREAS, Circuit City Stores, Inc. ("Circuit City") and Mitsubishi are parties to that certain Dealer Agreement, dated July 7, 2006 (the "Dealer Agreement") as well as various side agreements, addendums and letter agreements (the "Side Agreements" and, together with the Dealer Agreement, the "Mitsubishi Agreements").

Pursuant to the Mitsubishi Agreements, the Debtors purchased certain Mitsubishi products (collectively, the "Product") for resale in their retail stores; and

WHEREAS, on November 18, 2008, Mitsubishi filed proof of claim number 132 against the Debtors' bankruptcy estates pursuant to Bankruptcy Code section 503(b)(9) ("Claim No. 132"). Therein, Mitsubishi alleged that it sold to the Debtors in the ordinary

course of business \$4,965,976.18 worth of Product that was received by the Debtors within the twenty (20) days before the Petition Date; and

WHEREAS, as a result of payments made by the Insurance Company of the State of Pennsylvania (the "Insurance Company") to Mitsubishi pursuant to a policy for credit insurance, the Insurance Company holds or is subrogated to Mitsubishi's rights with regard to a portion of Claim No. 132; and

WHEREAS, on January 28, 2009, Mitsubishi filed proof of claim number 7194 against the Debtors ("Claim No. 7194"). Claim No. 7194 asserted a total claim against Circuit City of \$20,224,053.18, which was comprised of (i) a secured component in the amount of \$2,641,909.24, (ii) a 503(b)(9) component in the amount of \$4,965,976.18, and (iii) a pre-petition, non-priority general unsecured component in the amount of \$12,616,167.76; and;

WHEREAS, on April 17, 2009, Mitsubishi filed claim number 12300 ("Claim No 12300"). Claim No. 12300 was filed in the total amount of \$15,258,077.65, which was comprised of (i) a secured component in the amount

of \$3,110,267.24 (the "Secured Component"), (ii) a 503(b)(9) component in the amount of \$4,965,976.18 (the "503(b)(9) Component"), and (iii) a general unsecured, non priority component in the amount of \$7,181,834.23 (the "Unsecured Component"); and

B. The Omnibus Objections.

WHEREAS, the Debtors filed various objections to Claim No. 132, Claim No. 7194, and Claim No. 12300; and

WHEREAS, on April 17, 2009, the Debtors filed the Debtors' Fourth Omnibus Objection to Certain Duplicative Claims (the "Fourth Omnibus Objection") (D.I. 3096), in which, among other things, the Debtors objected to Claim No. 7194 on the grounds that it was partially duplicative of Claim No. 132; and

WHEREAS, Mitsubishi, on May 20, 2009, filed a response to the Fourth Omnibus Objection (D.I. 3384), and on July 6, 2009, filed a supplemental response to the Fourth Omnibus Objection (D.I. 3946); and

WHEREAS, on June 23, 2009, the Debtors filed the Debtors' Twentieth Omnibus Objection to Claims (the "Twentieth Omnibus Objection") (D.I. 3704), in which,

among other things, the Debtors objected to a portion of Claim No. 132 on the grounds that it was for goods not received by the Debtors within the twenty days prior to the commencement of the above-referenced bankruptcy cases; and

WHEREAS, on July 6, 2009, Mitsubishi filed a response to the Twentieth Omnibus Objection (D.I 3946); and

WHEREAS, on June 23, 2009, the Debtors filed the Debtors' Twenty-Third Omnibus Objection to Claims (the "Twenty-Third Omnibus Objection") (D.I. 3711), in which, among other things, the Debtors objected to Claim No. 12300 on the grounds that it was partially duplicative of Claim No. 132; and

WHEREAS, on July 6, 2009, Mitsubishi filed a response to the Twenty-Third Omnibus Objection (D.I. 3946); and

WHEREAS, on September 21, 2009, the Debtors filed the Debtors' Forty-Second Omnibus Objection to Claims (the "Forty-Second Omnibus Objection" and together with the Fourth Omnibus Objection and the Twenty-Third Omnibus Objection, the "Omnibus Objections")

(D.I. 5015), in which, among other things, the Debtors objected to Claim No. 7194 on that grounds that it was amended and superseded by Claim No. 13200; and

WHEREAS, on September 28, 2009, Mitsubishi filed a response to the Forty-Second Omnibus Objection (D.I. 5122); and

WHEREAS, on or about March 18, 2010, by consent of the Debtors and Mitsubishi, this Court entered its Supplemental Order resolving the Debtors' Omnibus Objections with respect to Mitsubishi (D.I. 6871) (the "Settlement Order"); and

WHEREAS, pursuant to the Settlement Order, all of Mitsubishi's claims, other than Claim No. 132 and Claim No. 12300, were withdrawn (Claim No. 132, together with Claim No. 12300, the "Mitsubishi Claims"). Specifically, pursuant to the Settlement Order, the Mitsubishi Claims were modified as follows: (1) the Secured Component of Claim No. 12300 would be in the amount of \$3,110,267.24; (2) the Unsecured Component of Claim No 12300 be in the amount of \$7,181,834.23; (3) the 503(b)(9) Component of Claim No. 12300 would be

reduced to \$0, and (4) Claim No. 132 would be in the amount of \$4,965,976.18; and

C. The Appeal.

WHEREAS, pursuant to the Debtors' (I) Fifty-First Omnibus Objection to Certain 503(b)(9) Claims and (II) Motion for a Waiver of the Requirement that the First Hearing on any Response Proceed as a Status Conference (Docket No. 5214) (the "Fifty-First Omnibus Objection"), the Debtors sought to temporarily disallow Claim No. 132 pending the return of certain transfers alleged by the Debtors to be avoidable under Bankruptcy Code section 547; and

WHEREAS, on January 6, 2010, the Court entered a Memorandum Opinion and Order (D.I. 6228) sustaining the Fifty-First Omnibus Objection and temporarily disallowing Claim No. 132 to the extent of \$2,407,142.00; and

WHEREAS, on March 9, 2010, Mitsubishi filed its Notice of Appeal (D.I. 6755) and Motion for Leave to Appeal the Memorandum Opinion and Order sustaining the Fifty-First Omnibus Objection (the "Motion for Leave") (D.I. 6759); and

WHEREAS, on April 23, 2010, the District Court for the Eastern District of Virginia granted the Motion for Leave (the "Appeal"); and

WHEREAS, on May 3, 2010, the Debtors filed the Debtors' Consent Motion for Approval of Settlement Agreement and Stipulation by and Among the Debtors and Mitsubishi Digital Electronics America, Inc. (the "First Settlement Agreement") (D.I. 7396). Therein, the Parties agreed that the Debtors would establish and fund a reserve in the amount of \$4,965,976.18 pursuant to Federal Rule of Bankruptcy Procedure 3020(a) for the exclusive benefit of Mitsubishi (the "Reserve"). Moreover, the Parties agreed that if Claim No. 132 was ultimately allowed in whole or in part, Mitsubishi shall be paid the allowed amount of Claim No. 132 from the Reserve; and

WHEREAS, the Parties further agreed that, upon the first business day immediately following the date on which the Court's order approving the First Settlement Agreement became final and non-appealable (the "Dismissal Date"), and provided that Mitsubishi received written confirmation from the Debtors that the Reserve

has been fully funded, Mitsubishi would cause the Appeal to be dismissed with prejudice. Prior to the Dismissal Date, the Parties agreed to cooperate, one with the other, to request that the Appeal be stayed pending the occurrence of the Dismissal Date; and

WHEREAS, on May 11, 2010, the Court entered its order approving the First Settlement Agreement (D.I. 7519); and

WHEREAS, on or around May 13, 2010, the Debtors established and funded the Reserve for the benefit of Mitsubishi; and

WHEREAS, on May 27, 2010, the Debtors filed the Consent Motion to Dismiss Appeal with Prejudice by Circuit City Stores, Inc. in the District Court for the Eastern District of Virginia (the "Consent Motion")(Dist. Ct. D.I. 44); and

WHEREAS, on June 3, 2010, the District Court for the Eastern District of Virginia granted the Consent Motion and dismissed the Appeal with prejudice (Dist. Ct. D.I. 49); and

D. The Adversary Proceeding.

WHEREAS, on April 1, 2010, Circuit City filed its Objection to Claim Nos. 132 and 12300 and Complaint Against Mitsubishi Digital Electronics America, Inc. and The Insurance Company of the State of Pennsylvania (the "Adversary Complaint") (Adv. Pro. No. 10-03068 (the "Adversary Proceeding") (Adv. D.I. 1)); and

WHEREAS, in the Adversary Complaint, among other things, the Debtors asserted that Claim No. 132 was overstated in the amount of \$3,655.41 because Mitsubishi invoiced the Debtors for a greater number of goods than the Debtors actually received from Mitsubishi. Due to the overstatement, the Debtors alleged that Claim No. 132 should be reduced to \$4,962,320.77; and

WHEREAS, the Debtors also alleged that they are entitled to certain pre- and post-petition amounts, including receivables, charge-backs, returns, and other amounts under the Mitsubishi Agreements, which amounts are currently due and owing to Circuit City by Mitsubishi, but for which Circuit City had not received payment. Specifically, the Debtors asserted that Mitsubishi owes Circuit City pre- and post-petition

amounts totaling \$5,751,577.89 (the "Unpaid Obligations"). The Debtors sought to setoff the Unpaid Obligations from Claim No. 132 reducing it to \$0. After setoff, the Unpaid Obligations would be reduced to \$789,257.12; and

WHEREAS, in the Adversary Complaint, the Debtors also asserted that Claim No. 12300 was overstated by \$247,516.97 on account of quantity shortages, previously paid invoices, and improperly reversed chargebacks. After deducting this amount, the Debtors alleged that Claim No. 12300 should be reduced to \$6,934,317.56; and

WHEREAS, the Debtors also sought to setoff the remaining Unpaid Obligations of \$789,257.12 from Claim No. 12300. After setoff, Claim No. 12300 would be reduced to \$6,145,060.44 and the Unpaid Obligations would be reduced to \$0;

WHEREAS, the Debtors also sought to reclassify the Secured Component of Claim No. 12300 to a general unsecured, non-priority claim on the basis that if the Debtors were to recover the Unpaid Obligations, the Unpaid Obligations will no longer remain unpaid.

Therefore, the Secured Component of Claim No. 12300 will no longer be subject to setoff; and

WHEREAS, in the Adversary Complaint, the Debtors also asserted that during the 90-day period prior to the commencement of Circuit City's bankruptcy cases, Circuit City transferred property to or for the benefit of Mitsubishi in an amount not less than \$6,698,209.84 (the "Preferential Transfers"). The Debtors sought to recover the Preferential Transfers pursuant to Bankruptcy Code sections 547 and 550; and

WHEREAS, the Debtors sought to temporarily disallow Claim No. 12300 pursuant to Bankruptcy Code section 502(d) until such time as Mitsubishi turned over the Preferential Transfers and the Unpaid Obligations; and

WHEREAS, on July 6, 2010, Mitsubishi filed its Answer, Defenses and Counterclaims of Mitsubishi Digital Electronics America, Inc. to Circuit City Stores, Inc.'s Objection to Claim Nos. 132 and 12300 and Complaint Against Mitsubishi Digital Electronics America, Inc. and the Insurance Company of the State of Pennsylvania (Adv. D.I. 15). Therein, Mitsubishi generally denied the

Debtors' allegations and asserted various affirmative defenses. Mitsubishi also asserted counterclaims against Circuit City (the "Mitsubishi Counterclaims"), and

WHEREAS, on July 27, 2010, Circuit City filed its Answer and Affirmative Defenses with Respect to Counterclaims of Mitsubishi Digital Electronics America, Inc. (Adv. D.I. 29). Therein, Circuit City generally denied the Mitsubishi Counterclaims; and

WHEREAS, on August 2, 2010, the Debtors filed their Motion for Partial Summary Judgment with Respect to Circuit City Stores, Inc.'s Objection to Claim Nos. 132 and 12300 and Complaint Against Mitsubishi Digital Electronics America, Inc. and the Insurance Company of the State of Pennsylvania (the "Summary Judgment Motion") (Adv. D.I. 30). Therein, the Debtors explained that Mitsubishi contends that certain of the Preferential Transfers may not be avoidable under Bankruptcy Code section 547(c)(4) because Mitsubishi provided the Debtors with "new value" subsequent to the alleged Preferential Transfers. The Debtors contend that even assuming that such new value was provided, Mitsubishi

may not, as a matter of law, avail itself of the "new value" under Bankruptcy Code section 547(c)(4)(B); and

WHEREAS, on August 24, 2010, Mitsubishi filed its Amended Response and Memorandum of Law in Opposition to Debtors' Motion for Partial Summary Judgment with Respect to Circuit City Stores, Inc.'s Objection to Claims No. 132 and 12300 and Complaint Against Mitsubishi Digital Electronics America, Inc. and the Insurance Company of the State of Pennsylvania. Therein, Mitsubishi disagreed with the Debtors and argued that it may avail itself of the "new value" under Bankruptcy Code section 547(c)(4)(B); and

WHEREAS, on August 27, 2010, the Debtors filed their Reply Brief in Support of Motion for Partial Summary Judgment with Respect to Circuit City Stores, Inc.'s Objection to Claims No. 132 and No. 12300 and Complaint Against Mitsubishi Digital Electronics America, Inc. and the Insurance Company of the State of Pennsylvania (Adv. D.I. 43); and

WHEREAS, on August 31, 2010, a hearing was held on the Summary Judgment Motion (the "Hearing"). At the Hearing, the Court heard oral argument from the Debtors

and Mitsubishi. At the conclusion of the Hearing, the Court took the Summary Judgment Motion under advisement. As of the date of this Settlement Agreement, the Court has not ruled on the Summary Judgment Motion; and

WHEREAS, rather than proceed with further litigation concerning the Mitsubishi Claims and the Adversary Proceeding, the Parties engaged in good faith, arms' length negotiations to resolve the foregoing at this time; and

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties hereby STIPULATE AND AGREE that:

1. Upon the Effective Date (as defined herein), in full satisfaction and settlement of the Mitsubishi Claims, the Unpaid Obligations, the Preferential Transfer, and the Adversary Proceeding (other than the Summary Judgment Motion), the Parties agree that (i) Claim No. 132 will be reduced to and allowed as an administrative priority claim pursuant to section 503(b)(9) of the Bankruptcy Code in the amount of \$1,775,000 (the "Allowed 503(b)(9) Claim"), (ii)

Claim No. 12300 will be allowed in the amount of \$5,125,000.00 as a general unsecured, non-priority claim (together with the Allowed 503(b)(9) Claim, the "Allowed Claims"); and (iii) the Unpaid Obligations shall be reduced to \$0.

2. The Adversary Proceeding shall not be dismissed until the Court disposes of the Summary Judgment Motion.

3. Upon the later of (i) the Effective Date and (ii) the "effective date" under the Plan, \$1,725,000 of the Allowed 503(b)(9) Claim shall be paid from the Reserve and the Debtors shall continue to hold \$50,000 (the "Remaining Amount") in the Reserve pending the Court's decision on the Summary Judgment Motion; provided, further, that, upon payment of \$1,725,000 to Mitsubishi, all funds held in the Reserve (other than the Remaining Amount) shall be deemed released back to the Debtors and their estates for distribution under the Plan and Mitsubishi shall cease to have any interest in or right to such released funds.

4. In the event the Court grants the Summary Judgment Motion, the Allowed 503(b)(9) Claim shall be

reduced by \$50,000, and the Remaining Amount shall be deemed released from the Reserve back to the Debtors and their estates for distribution under the Plan and Mitsubishi shall cease to have any interest in or right to the Remaining Amount.

5. In the event the Court denies the Summary Judgment Motion, the Remaining Amount shall be paid to Mitsubishi upon the later of (i) the Effective Date, (ii) the "effective date" under the Plan, and (iii) the date that is seven (7) days after the Court enters an order disposing of the Summary Judgment Motion.

6. To the extent required, the automatic stay of 11 U.S.C. § 362 is lifted to permit the netting set forth in Paragraph 1 above.

7. Subject to paragraphs 3-5 above, the Allowed Claims shall be deemed "allowed" claims in case number 08-35653 (KRH) for all purposes, including with respect to the Plan or as required under any chapter 7 liquidation (as applicable), and shall not be subject to enhancement or amendment, or further objection, offset, reduction, discount, impairment or subordination.

8. Upon the Effective Date, Mitsubishi, on behalf of itself and its successors and assigns, and the Debtors, on behalf of themselves, and each on behalf of their respective estates, successors, and assigns (including but not limited to any trustee appointed in any of these chapter 11 cases or any successor or subsequent bankruptcy cases, any receivers and/or other custodians appointed in any action or proceeding involving the Debtors' property and the liquidating trustee under the Plan), hereby irrevocably and fully release one another from and against any and all claims or causes of action (including, but not limited to, causes of action under Bankruptcy Code sections 502, 542, 543, 544, 546, 547, 548, 549, 550, 553 and 558) arising from, in connection with, or related to the Mitsubishi Agreements, the Product, the Twentieth Omnibus Objection, the Mitsubishi Claims, the Unpaid Obligations, the Preferential Transfers, the allegations contained in the Adversary Complaint, and the Adversary Proceeding (this paragraph, the "Releases"), but excluding the Allowed Claims, the Remaining Amount, and the MDL Proceeding (as herein defined).

9. For the avoidance of doubt and notwithstanding anything to the contrary in this Settlement Agreement, (i) the Releases are not intended as general releases or waivers and nothing in this Settlement Agreement shall be construed as such, (ii) with the exception of the Allowed Claims and a contingent right to the Remaining Amount, Mitsubishi shall not file nor be entitled to recover on account of any claims in the Debtors' cases, (iii) with the exception of claims asserted in, based on, or related to the MDL Proceeding identified in clause 9(iv) of this Settlement Agreement, the Debtors shall not be entitled to recover any further amounts, credits, rebates, receivables, setoffs, netting, or discounts from Mitsubishi, and (iv) the Parties specifically acknowledge and agree that this Settlement Agreement is not intended to, and does not, release or otherwise affect in any way any actual claims or causes of action (or potential claims or causes of action similar in nature or type to such actual claims or causes of action) now or hereinafter asserted in, based on, or relating to the multi-district litigation captioned In re: TFT-LCD

(Flat Panel) Antitrust Litigation, MDL No. 1827 (N.D. Cal.) and the actions consolidated therein (the "MDL Proceeding").

10. Both parties hereby represent and warrant to the other that it will take no steps to appeal or seek rehearing, reconsideration, or other review of the Court's order on the Summary Judgment Motion. The Parties further agree that the Debtors will move to dismiss the Adversary Proceeding with prejudice (as against all parties, including Mitsubishi and the Insurance Company) within ten (10) business days of entry of the Court's order on the Summary Judgment Motion.

11. Neither this Settlement Agreement, nor any statement made or action taken in connection with the negotiation of this Settlement Agreement, shall be offered or received in evidence or in any way referred to in any legal action or administrative proceeding among or between the Parties hereto, other than as may be necessary (a) to obtain approval of and to enforce this Settlement Agreement or (b) to seek damages or

injunctive relief in connection with such approval and enforcement.

12. Each Party hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary or appropriate in conjunction with the performance of their respective obligations hereunder.

13. No provision of this Settlement Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person other than the Parties hereto and their respective successors (including, as to Mitsubishi, the Insurance Company with regard to its interest in a portion of the Allowed 503(b)(9) Claim).

14. Except where preempted by applicable federal law, this Settlement Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Virginia without regard to any choice of law provisions.

15. This Settlement Agreement may be signed in counterpart originals and delivered by facsimile or

email, which, when fully executed, shall constitute a single original.

16. This Settlement Agreement constitutes the entire agreement and understanding of the Parties regarding the Settlement Agreement and the subject matter thereof.

17. The Court shall retain exclusive jurisdiction (and the Parties consent to such retention of jurisdiction) with respect to any disputes arising from or related to, or other actions to interpret, administer or enforce the terms and provisions of, this Settlement Agreement.

18. Each person or entity who executes this Settlement Agreement on behalf of another person or entity represents and warrants that he, she, or it is duly authorized to execute this Settlement Agreement on behalf of such person or entity, has the requisite authority to bind such person or entity, and such person or entity has full knowledge of and has consented to this Settlement Agreement. The Debtors represent and warrant that (a) they shall promptly make such filings with the Court, give such notices, and take such other

actions as may be required, necessary or desirable to comply with the Notice Procedures and (b) no further consent from or approval by the Court is required in connection with the compromise and settlement made and effected by this Settlement Agreement. The representations and warranties set forth in this paragraph shall survive execution of this Settlement Agreement.

19. This Settlement Agreement shall not be modified, altered, amended or vacated without the written consent of all Parties hereto or order of the Court.

20. This Settlement Agreement and all of its terms shall be effective upon the later of (i) execution by all Parties, (ii) the expiration of the applicable Notice Period, or (iii) the resolution of any objection properly filed in accordance with the terms of the Settlement Procedures Order (the "Effective Date").

21. This Settlement Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereto, including any Chapter 7 trustee or the liquidating trustee under the Plan.

IN WITNESS WHEREOF, this Settlement Agreement
is hereby executed as of October 19, 2010.

ACCEPTED AND AGREED TO BY:

CIRCUIT CITY STORES, INC., et al.,
Debtors and Debtors in Possession

By:

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